

POSTAL BALLOT NOTICE

(Pursuant to section 192A of the Companies Act, 1956)

Dear Member(s)

NOTICE is hereby given pursuant to section 192A(2) of the Companies Act, 1956, read with (Passing of the resolution by Postal Ballot) Rules, 2001, that the company is seeking the shareholders' consent to the enclosed Special Resolution, proposed to be passed by Postal Ballot.

The Board of Directors of the company had, at its meeting held on 21st October, 2010, proposed to increase the Authorised Share Capital of the Company from 15,00,00,000 to 40,00,00,000.

The increase of authorised share capital from existing capital Rs.15,00,00,000 divided into 1,50,00,000 Equity shares of Rs.10/- each to Rs.40,00,00,000 Divided into 4,00,00,000 Equity shares of Rs.10/- each requires the alteration of existing Clause V of the Memorandum of Association with the approval of the members by way of Ordinary resolution, the company proposes to pass the aforesaid resolution as special resolution for alteration of Memorandum of Association of the Company. After the members approval the Authorised Capital would be like this.

"The Authorised Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Fourty Crores only) divided into 4,00,00,000 (Four Crores Only) Equity shares of Rs. 10/- (Rupees Ten only) each".

The Company proposes to obtain the consent of the Shareholders by means of Postal Ballot in compliance with the provisions of section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

Pursuant to Section 173(2) of the Companies Act, 1956, an Explanatory Statement pertaining to the aforesaid Special Resolution(s), setting out all material facts, is also annexed herewith and accordingly, the Special Resolution and Explanatory Statement thereto are being sent to you along with Postal Ballot Form and Postage Prepaid-Self-addressed envelope for your consideration.

The Company has appointed Mr. Y Koteswara Rao, Practicing Company Secretary, as Scrutinizer for conducting the postal ballot process.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form (no other Form or photocopy thereof is permitted), duly completed, in the attached postage prepaid-self-addressed envelope, so as to reach the scrutinizer at the address given on the self-addressed envelope, not later than close of working hours of Monday, 22ND of November, 2010.

The Scrutinizer will submit his report addressed to the chairman of the company, after completion of the scrutiny in a fair and transparent manner. The result of postal ballot will be announced by the chairman / Vice Chairman / Managing Director on 24th of November, 2010 and will also be published in Newspapers.

Members may please note that a resolution will be deemed to have been passed as special resolution if the votes cast in favour are at least three times than the votes cast against and in case of ordinary resolution the votes cast in favour should be more than the votes cast against and would be deemed to have been passed at the Extra-ordinary General Meeting referred to above.

1. INCREASE IN AUTHORISED CAPITAL FROM RS. 15,00,00,000/- TO RS. 40,00,00,000/- AND ALTERATION OF CLAUSE V OF MEMORANDUM OF ASSOCIATION

To consider and if thought fit, to pass, with or without modifications the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) (hereinafter referred to as the "Act"), and provisions of all other applicable laws and regulations applicable thereunder, the Authorised Share Capital of the company be and is hereby increased from present Rs.15,00,00,000 (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity shares of Rs.10/- (Rupees Ten Only) each to Rs.40,00,00,000 (Rupees Forty Crores) dividend into 4,00,00,000 (Four Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each, by creation of new 2,50,00,000 (Two Crore Fifty Lakh) Equity Shares of Rs.10/- (Rupees Ten Only) each".

"RESOLVED FURTHER THAT pursuant to Section-16 of the Companies Act, 1956 and other applicable provisions, if any, the existing Clause – V of the Memorandum of Association of the Company be altered / modified and substituted with the following new Clause:

" The Authorised Share Capital of the Company shall be Rs.40,00,00,000/-(Rupees Forty Crores Only) divided into 4,00,00,000 (Four Crores only) Equity shares of Rs.10/- (Rupees Ten Only) each with power to increase, reduce, convert, sub-convert, sub-divide and consolidate the same and with power to issue any of the shares in the Capital original or increased with or subject to preferential, special or qualified rights or conditions as regards dividends, repayment of capital or otherwise".

"RESOLVED FURTHER THAT Mr. T. V. Sandeep Kumar Reddy or Ms. T. Indira, Directors of the Company be and are hereby severally authorized to take necessary steps for giving effect to the resolution, including filing the necessary forms with the Registrar of Companies, Hyderabad."

By Order of the Board of Directors
For GAYATRI PROJECTS LIMITED

Place: Hyderabad
Date: 21.10.2010

Sd/-
I.V. LAKSHMI
Company Secretary & Compliance Officer

NOTES

1. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
2. The Board of Directors at its meeting held on 21-10-2010 has appointed Sri Y. Koteswara Rao, Practicing Company Secretary as the Scrutinizer to receive and scrutinize the completed ballot papers from the members. The Postal ballot form and the Self addressed postage prepaid envelope are enclosed for use of the members.
3. You are requested to carefully read the instructions printed in the postal ballot form and return the form duly completed with the Assent (for) or Dissent (against) in the attached postage prepaid envelope so as to reach the scrutinizer on or before 22-11-2010 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member. Hence the members are requested to send the duly completed postal ballot forms well before 22-11-2010 providing sufficient time for postal transit.
4. Members who are holding shares in electronic form are requested to notify any correction / change in their name / address including PIN CODE number immediately to the Depository participant. In the event of non- availability of Members' latest address either in Company's records or in Depository Participant's records, members are likely to miss notices and other valuable correspondence sent by the Company.

5. Members who hold shares in physical form are requested to notify any change in their particulars like change in address, bank particulars, etc to our Registrars viz., M/s. Karvy Computershare Private Limited, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, Andhra Pradesh
6. Members are requested to kindly mention their Folio Number / Client ID Number (in case of Demat shares) in all their correspondence with the Company's Registrar in order to reply to their queries promptly.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM No.1

The authorised Share Capital of the Company needs to be increased from existing 15,00,00,000 (Rupees Fifteen Crores) to Rs.40,00,00,000 (Rupees Forrty Crores) by creation of additional 2,50,00,000 (Two Crores Fifty Lakh) Equity shares of Rs.10/- each to accommodate the proposed rights issue u/s 81(1A) of the Companies Act, 1956.

As required under section 192A of the Companies Act, 1956 read with Companies (passing of Resolution by Postal Ballot) Rules, 2001, the Board here by recommends the Increasing the Authorised Share Capital and accordingly modification of Clause V of the Memorandum of Association u/s 16 of the Companies Act, be confirmed and ratified by the shareholders by way of postal Ballot. Accordingly, the Notice of the proposed Special Resolution is being sent to the Shareholders for their consideration and approval by way of Postal Ballot. The result of the Postal Ballot will be announced by the Chairman / Vice Chairman / Managing Director on Wednesday, 24th November, 2010.

None of the Directors of the company are concerned or interested in the proposed resolutions in any manner.

The Directors of your company recommend the passing of the Special Resolution for their approval.

Place: Hyderabad
Date: 21-10-2010

By Order of the Board of Directors
For **GAYATRI PROJECTS LIMITED**

Sd/-
I.V.LAKSHMI
Company Secretary & Compliance Officer